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Remarks

U.S. Department of Agriculture • Office of Information

Prepared for delivery at the National Association of Wheat Growers by Secretary of Agriculture, Clayton Yeutter, San Antonio, Texas, Jan. 11.

It is a pleasure to be in San Antonio with the National Association of Wheat Growers (NAWG). Seldom have American farmers had as much at stake as in the next 12 months. Congress will put together a new farm bill and the outcome of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) will be decided. Both of these actions carry major implications for you as wheat growers.

Wheat growers have always been among our most export-oriented farmers. Some of the original overseas market development efforts for U.S. farm products were started in the Orient by Pacific Northwest wheat growers. The National Association of Wheat growers is to be congratulated on its foresight in spotting the direction U.S. agriculture must increasingly take if we are to assure farm prosperity. Without exports, U.S. agriculture can not run at full throttle or even close to it.

In the 1990's we have a clear choice of directions, both in U.S. farm policy formulation and within the GATT. We can choose to be bold and outward looking—or defensive and protectionist. It seems to me there is only one real choice, the former.

The American farmer has never been afraid to compete with farmers in other parts of the world and I don't believe you are now. We have fertile land, the best agricultural infrastructure in the world, excellent research institutions and a competitive advantage in skilled farm management. What we need additionally are sound government farm policies and an aggressive trading stance that gains better overseas market access for American farm products.

I'll explore these areas with you today but first I would like to take a look at the reasons wheat exports have expanded significantly since the 1985 farm bill. As you know, a major objective of that legislation was to restore U.S. competitiveness in world grain markets.

Two primary tools were set up for doing this. Authority was given for the secretary of agriculture to offer export bonuses under the Export

Enhancement Program (EEP) to counteract European Community (EC) export subsidies—and more flexibility was given to the secretary in setting the loan rate on wheat, which was lowered from $3.30 per bushel in 1985/86 to $2.28 per bushel in 1987/88.

The U.S. share of the world wheat market increased substantially in 1987 and 1988. U.S. wheat exports rose from 915 million bushels in 1985 to 1.6 billion bushels in 1987 but are projected to decline in 1989 because of weather-induced production shortfalls. The U.S. share of the world wheat market likewise expanded from 27 percent in 1985 to about 41 percent in 1987 and 1988.

A relevant question is how much of the recent increases in U.S. wheat exports actually flowed from the provisions of the 1985 act? Recent USDA research indicates that 25 percent of the expansion in U.S. wheat exports between 1986 and 1988 was due to subsidized exports (primarily through the EEP) and 25 percent was due to the lower loan rate.

About 40 percent was due to expanded imports by the USSR and China, and 10 percent was due to smaller crops in competing exporting nations. The depreciation of the dollar was also a factor.

There's no question that the EEP has been among the most important programs helping U.S. exporters compete with other countries, particularly with subsidized wheat sales made by the European Community. Over 60 million tons of wheat and flour (wheat flour equivalent) were sold under the EEP program between May 1985, when the program started, and July 1989. Since May 1985, the wheat bonuses have averaged about $30 per metric ton or about 25 percent of U.S. wheat export prices.

In an ideal world the United States would not use export bonuses to move grain overseas but as long as our competitors offer such subsidies to customers, we have little choice but to do the same if we wish to compete.

One of the areas of trade reform the U.S. is pushing in the GATT is to eliminate, over time, all use of export subsidies in agriculture. We will not, however, do so unless our competitors do likewise.

Currently, however, we're encouraged that other agricultural trading nations are beginning to realize the folly of continuing to compete on the basis of who happens to have the largest subsidy pockets with which to support their own agriculture.

The need for a more rational world trading system is underlined by the sweeping changes now taking place around the globe—the democratic

reforms of Eastern Europe being the most dramatic example; the scheduled economic unification of Western Europe under EUROPE 1992 being another.

Whether these changes and others will be positive or negative for American agriculture depends largely on our own actions. We are an integral part of world events as never before.

We can either put our heads in the sand and ignore what is happening around us—or adapt to it, attempt to influence it and try to make it work to our advantage. It seems obvious to me that the latter is the more intelligent course of action.

In either case we must accept the consequences of our decision. Should we choose sitting on the sideline, our agricultural production plant will inevitably shrink and farm incomes will ultimately fall. Regrettably some of our farm organizations have not yet figured that out!

Is success guaranteed if we choose the latter course, boldly entering the international arena? Of course not. There are no sure winners in international trade but we have an opportunity—perhaps even a solid probability—of succeeding. And that's worth a lot. Sitting on the sideline will deprive major segments of American agriculture of the chance to capitalize on these opportunities.

We should vigorously encourage other nations to join us in trade liberalization policies that will allow all farmers, including ours, to compete fairly in an international marketplace based on equal market access and opportunity.

1990 offers a unique challenge. We will be overhauling U.S. farm policy while concurrently negotiating the most significant multi-lateral agricultural trade negotiations ever on agriculture. This parallel timing has led some to worry that the GATT might somehow take precedence over the farm bill. A few critics on Capitol Hill have even been demanding that the 1990 farm bill be written in Washington.

All that is a non-issue. Of course the 1990 Farm Bill will be written in Washington. It will be written by the United States Congress as it always has been. To suggest otherwise is just so much political poppycock.

But it would be equally foolish to say that U.S. farm legislation will not be affected by the GATT negotiations—or vice versa. Changes in world agricultural trading rules will obviously affect the United States as the world's major agricultural exporter—hopefully for the better. And when the United States Congress alters farm policy in the world's leading

agricultural nation, that certainly changes the shading of issues involved in world trade negotiations.

Our challenge is to build a stronger agricultural economy for America, for the benefit of farmers, consumers and taxpayers alike. We must keep our eyes on the ultimate target as we go through this busy, complex year in agriculture, for there will definitely be attempts to distract us. There is nothing some of our trading partners would like better than to see the U.S. be divided just when the hard negotiating on agricultural trade issues really begins. That has happened in the past, which is one reason we've never accomplished much in the GATT on agriculture so far.

While it's natural for the U.S. agricultural community to have differences on the nuances of trade policy, the more united front we can muster, the more likely our negotiators in Geneva will succeed in gaining improved market access for American farmers. The Uruguay Round is a "horsetrading" session—and a rugged one. The more we understand this, the better we'll do.

When our negotiating partners attempt to decoy us by spreading misinformation, it's important to spot it, call it what it is and bring it to the attention of American farmers and our negotiating allies. The NAWG can help do this and, in the process, be of service to all our farmers.

One misstatement some Europeans seem determined to make and sporadically attempt to fan into life in the media is that the U.S. position in the Uruguay Round is to eliminate all farm supports.

That has never been the U.S. position!

Our position is that farm policies—our own or anybody else's—ought to be designed and administered in ways that do not distort international trade. That does not preclude the use of safety nets for farmers. It simply says that all nations ought to be creative enough to establish non-distortive (or at least minimally distortive) farm programs. I do not believe this to be an unrealistic expectation.

Throughout this last year I have had individual farmers ask me what the GATT's really all about, how it relates to U.S. farm policy and why I consider it so vital. It's simple.

The American purpose in negotiating agricultural trade issues is to win market access for U.S. farmers to the maximum extent possible. The importance of doing this can be seen by examining some of the gains we have made through bilateral negotiations in recent years.

Beef to Japan

Following intense negotiations, Japan agreed in the summer of 1988 to gradually eliminate its import quotas on beef. Here's what happened.

During the first year of the three year transition period, U.S. beef exports to Japan are up 70 percent—and sales for the year are expected to reach $1 billion. We now enjoy about a 43 percent share of the Japanese beef import market.

Overall, Japan now accounts for over 70 percent of all U.S. beef exports, which the U.S. Meat Export Federation says has increased the value of fed cattle in the U.S. by an estimated $2.83 per hundredweight.

If you are a cattle feeder, do a little kitchen table figuring and you'll come up with about $20 per fed steer you wouldn't have in your pocket if we were still battling Japanese beef quotas.

So all those airplane flights, the intense preparation and long hours at the negotiating table sometimes do pay off. Agricultural trade negotiations have become a vital contributor in the marketing of American farm products.

Citrus to Japan

While there are some remaining implementation details to be smoothed out, Japan's purchases of U.S. orange juice have already nearly doubled as a result of the agreement on citrus which was concluded at the same time as the agreement on beef. Purchases of fresh oranges in the first nine months of 1989 were up 9 percent, and grapefruit sales were up 13 percent.

Tobacco Exports to Japan, South Korea and Taiwan

Prior to 1986, a host of trade barriers precluded or limited exports of U.S. cigarettes to Japan, South Korea and Taiwan. We, therefore, instigated action under U.S. trade laws to challenge these import constraints. After lengthy negotiations, agreements were reached with Japan and Taiwan in early 1987, and today U.S. branded cigarettes hold 12 percent of the Japanese market and 15 percent of the Taiwanese market as compared to nominal access previously.

In South Korea, where an agreement was reached in mid-1988, U.S. brands immediately captured 3 percent of the market and are expected to increase market share to 10 percent this year.

The local tobacco monopolies in these three Asian countries also responded to this new marketing challenge by importing more American

burley and flue-cured tobacco to improve the quality of their own products.

As a consequence, we are now selling more leaf tobacco than previously, as well as more of the value added product, cigarettes. Total value of U.S. cigarette and unmanufactured leaf exports to the region reached $1.06 billion in 1988, up over 150 percent from 1986.

I've been hearing recently about the downside potential of GATT negotiations, i.e., what we might lose. But let's recognize there is also an upside potential, which is why we're there. Based on our recent experience in beef, citrus and tobacco that upside potential is real, i.e., we have much to gain in the negotiating process.

If we can bring the Uruguay Round to a successful conclusion, it could, over time, go a long way toward liberating American farmers from dependence on taxpayer subsidies, while simultaneously sustaining—and hopefully boosting—farm income by generating increased opportunities in the marketplace. That is what this GATT exercise is all about. It should be welcomed, not feared.

It's taken a long time and a lot of work to get to this point. Unfortunately, agriculture has not always been a top negotiating priority for the U.S. (or anybody else) in the GATT—and for 40 years U.S. farmers have been essentially ignored. This time is different. The United States has put agriculture on the front burner of the Uruguay Round and Ambassador Hills and her staff at USTR are keeping the heat on.

This is a real change and American farmers need to understand that. Previously some of our trading partners have never even allowed a serious discussion of agricultural trade reforms to occur in the GATT. They would negotiate on industrial goods but not agriculture.

The GATT has been remarkably successful in the industrial sector. Tariffs on manufactured goods in the industrial countries have been lowered from an average of about 40 percent in the mid-1960's to an average of less than 6 percent following the Tokyo Round which ended in 1979.

During a similar time frame, nominal rates of protection on agricultural commodities in the industrialized countries have increased from 21 percent in 1965 to a crippling 40 percent in 1988.

Who pays? A lot of people, including you! Put the equivalent of a 40 percent tariff on $1000 worth of grain and it suddenly costs $1400. That's enough to kill a lot of deals—and certainly enough to make U.S.

farmers non-competitive with any farmers who don't have to absorb such a burden.

While GATT negotiations in the industrial sector have led trade in manufactured items to become more responsive to marketplace conditions, agricultural trade has been smothered under layer after layer of government intervention between farmers and their potential customers. U.S. farmers get hurt badly by all this, as do efficient farmers everywhere. That simply must change.

Ambassador Hills is doing an outstanding job and her team representing you in the GATT is one of the best I've ever seen. They are committed to making significant gains for U.S. farmers and you can have lots of confidence in them. I do not look for them to be out-negotiated by anybody!

I also believe, as do President Bush and Ambassador Hills, that the U.S. position on agriculture is intellectually correct, morally sound and carries the potential to truly benefit all the world's people.

So the only disconnect between the 1990 Farm Bill and the concluding negotiations of the Uruguay Round is one of timing. The current GATT negotiations aren't scheduled to conclude until December, 1990, and we need to get a U.S. farm bill out the door before that. U.S. wheat farmers need to know by late August what their farm program will be under the 1990 farm bill and I will work to make that happen. I know that House and Senate agricultural leaders feel the same way.

Only after—and if—we get a satisfactory Uruguay Round agreement will we and others need to re-tool our farm policies. Realistically, we are looking at a two step process: a 1990 farm bill and a 1991 revision.

1989 Farm Situation VS. 1985 Farm Situation

Financial stress was the source of much of the farm bill debate in 1985. Fortunately this will not be the case this year. We have moved from crisis to recovery in the farm economy since 1985. Farm exports led the charge. After hitting a low of $26 billion in 1985, U.S. farm exports bounced back to $40 billion in 1989. Paralleling this development, net cash farm income rose almost 22 percent between 1985 and 1988, hitting about $57.2 billion in 1988.

Our overall debt-to-asset ratio improved about 25 percent between 1985 and 1989. It now stands at a fairly comfortable 17.6 percent. In total, farm debts are sharply lower, $50 billion less than their peak in 1983. The Farm Credit System, which was on the edge of collapse in 1985, has

recovered substantially—while using only about one-quarter of the federal assistance money that Congress thought would be needed. About $1 billion has been used to date.

Overall, farmers had their best year ever in 1989. We have to give the 1985 Farm Bill a good deal of credit in helping bring about this turnaround—but we also have to acknowledge that it has been a relatively expensive exercise. Annual farm program costs have run in the $10 to $14 billion range the last two years, after hitting a high of $26 billion in 1986.

Looking ahead, I see two closely related factors affecting the 1990 Farm Bill.

The First:

A massive federal budget deficit which must be reduced through a combination of economic growth and spending discipline.

The Second:

U.S. agriculture must continue to earn more of its income from the marketplace. The level of government subsidies encompassed in the 1985 farm bill is not likely to be replicated in the future—under any administration.

The federal deficit, while substantially below the $221 billion peak in 1986—is still massive and intolerable. Under the Gramm-Rudman-Hollings legislation the deficit must not exceed about $100 billion in FY 1990 (the current operating year), $64 billion in FY 1991, $28 billion in FY 1992, and zero in FY 1993. The effects of this have to be considered not just for 1990, but for the entire life of the 1990 farm bill.

The required budget reductions are real; there is little room for operating with "smoke and mirrors." Since the passage of Gramm-Rudman- Hollings, federal purchases of goods and services in real terms have fallen at a 0.5 percent annual rate. That's in sharp contrast to the average annual growth rate of 4.6 percent for such expenditures during 1980-85.

President Bush is dead serious about getting federal spending under control and there is no question that a tighter federal budget will put severe pressure on farm program spending. But that has its good side too.

Controlling deficit spending will hold down interest rates and agriculture is a big borrower.

In addition to budgetary constraints, as we go into 1990 we must also be cognizant of an increasing number of external forces now affecting

U.S. agriculture—among them environmental and food safety concerns. Advocacy groups in these areas want a say in making agricultural policy, which they see as directly affecting their own lives.

Let me share two examples I have run across recently that are indicative of the sort of debate which will increasingly affect farmers and agriculture.

The first piece is from the November, 1989, Atlantic Monthly. It's from a cover article titled, "BACK TO EDEN." The lead sentence alone should astonish you if you haven't already read it.

"Although agriculture has given us the cities, wealth, the arts and sciences—what we call civilization—on the whole it has been a mistake."

From that point you get twenty pages of the author's view of what an environmental tragedy U.S. agriculture has been and, he says, still is.

While public debate of controversial issues is healthy, this sort of hyperbole benefits no one. We should continually examine and improve farming methods and the science surrounding agriculture. I know that you concur with that view. We may not be perfect but the environmental performance of American agriculture need not take a back seat to any other industry. Nor to critics—who just may have an imperfection or two of their own!

Let me review another example which recently took me aback. The Wall Street Journal carried an excellent editorial a few weeks ago referring to a statement by a spokesperson of the National Resources Defense Council (NRDC), the people who hired a professional public relations firm to build the case against Alar.

According to the Journal, the spokesperson said, "It's a tremendous disappointment. Allowing the EPA to condone continued use of a chemical whenever the benefits outweigh the risks is absolutely anathema to the environmental community."

To me, that's an incredible statement. It presumably says that agrichemicals should never be used—even when the benefits far outweigh the risk and even when the risk is negligible, perhaps even immeasurable. What an outrageous policy position!

It's time to regain perspective in the food safety debate. I hope that as NAWG members, you get involved in this element of the upcoming legislative deliberations.

Help bring some sense to the debate. Help us tell the positive story of American agriculture and America's food supply. Ferret out the facts; tell them clearly and tell them as often as you can. This is an educational

challenge for those of us who believe in rational decision making.

Let's hope that America's newspaper and magazine readers, television viewers and radio listeners have had about enough of scare tactics and enough of what some have begun to call "environmental terrorism."

Food safety and environmental issues should be decided on the basis of science and reason. It is time not only for us to say that but for responsible environmental and consumer organizations to do so as well.

Conclusion

I have covered a wide range of topics here with you today and I hope it gives you a clearer picture of where we need to be heading in agricultural policy as we move toward the twenty-first century. We have a great deal of work to do together over this next year. As we formulate new farm legislation we must recognize that our farmers and ranchers have as their foremost challenge the meeting of consumer needs and demands—around the world.

American agriculture is in the nutrition business and, we hope, in the industrial materials business. In the years ahead, we should see agricultural products increasingly feeding our industries as well as nourishing our bodies.

This means taking a good hard look at how we use farmland and other agricultural resources to our best advantage. To do so we must construct farm programs to maximize our profit potential in the marketplace—while also conserving these resources for the benefit of future generations.

We must do this in the context of a rapidly changing world that is filled with new competition—and new opportunities.

As I said when I started today, seldom have American farmers had more at stake than in the set of issues we'll deal with together in 1990. Let's work together to gain the market access necessary for our agricultural products to compete fairly in world markets, and let's capitalize on those opportunities by designing and implementing a sound farm policy here at home.

I know that American agriculture is up to the challenge and that National Association of Wheat Growers members will be in the forefront of that effort.

Thank you for your fine cooperation and support.

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Address to the American Farm Bureau Federation by Agriculture Secretary Clayton Yeutter, Jan. 8, at Orlando, Florida.

"1990'S FARM LEGISLATION, DEFINING THE NEW PARAMETERS"

It's always a pleasure to meet with members of the American Farm Bureau Federation. You and I have arrived here in Orlando at one of the most important times in the history of American agriculture. 1990 is a year of choices and those choices will begin with the 1990 Farm Bill. Just as important as the bill itself is the context within which it will be debated.

Seldom have farmers had so much at stake as in the next 12 months. Great economic, social and political changes are sweeping around us throughout the world and all of us must respond. One response will come through U.S. participation in the Uruguay Round of the General Agreement on Tariffs and Trade (GATT); another will be the 1990 Farm Bill. A third will be the actions we take to foster market oriented democracies in Eastern Europe and elsewhere, an important subject that I will not have time to address today.

The farm organizations having the most influence in shaping the new farm bill will hopefully be those most clearly understanding the issues—and who articulate their views convincingly in the legislative process. The Farm Bureau has always met this test and I'm sure 1990 will be no exception.

Legislation in this country is truly a participatory process. A friend of mine in Nebraska says that farm bill debates, once they are over and the ink is dry, always remind him of the beaver and a rabbit standing in front of an enormous hydroelectric dam. The beaver says, "I didn't actually build it but it's based on my ideas."

So it's important we work together to get the right ideas in the 1990 Farm Bill. We have a clear choice of direction; bold, outward looking and unafraid—or protectionist, defensive and timid. I choose the former. I know that you will too.

Together, during this year, we will—or we won't—get legislation that will help American farm products compete successfully in the world marketplace. In the process, we must be careful not to repeat past mistakes that led to legislation which sounded good for the immediate situation but was too rigid to adjust to changing economic situations.

We now farm in an environment characterized by globalization of business and international financial institutions which instantaneously shift funds around the world. Inexpensive facsimile and sophisticated video communication among countries; quick, efficient long range transportation and increasing international travel, education and research activities; environmental issues that transcend national boundaries.

Such changes continually redefine the rules within which United States farmers compete in the world—and can seriously affect individual income potentials. We can either put our heads in the sand and ignore what is happening around us—or adapt to it, attempt to influence it and try to make it work to our advantage. It seems obvious to me that the latter is the more intelligent course of action.

Whether the changes now occurring will be positive or negative for American agriculture depends largely on our own actions. We are an integral part of world events as never before and we can choose to sit on the sideline or we can boldly enter the international arena.

In either case we must accept the consequences. Should we choose the former, sitting on the sideline, then our agricultural production plant will inevitably shrink and farm incomes will ultimately fall. Regrettably, some of our farm organizations have not yet figured that out!

Is success thereby guaranteed if we choose the latter course, boldly entering the international arena? Of course not. There are no sure winners in international trade but we have an opportunity—perhaps even a good probability—of succeeding. And that's worth a lot. Sitting on the sideline will only deprive major segments of American agriculture of the chance to capitalize on those opportunities.

To succeed, we must vigorously pursue export markets for American farm goods wherever we can. We must push ahead with research and new technology to expand industrial uses of farm commodities here and abroad. We must capitalize on biotechnology to provide more efficient, environmentally sound crop protection techniques—and we have to work like never before to help Americans outside of agriculture understand what we are doing and how it directly benefits them.

Our farm programs should be redesigned to give farmers the flexibility to manage their operations in the most efficient way. As we enter the 90's, U.S. farmers will have to begin earning more from the marketplace in order to offset reduced government subsidies in these times of budgetary austerity. To do that they need the flexibility to plant those

crops the market demands, rather than what Uncle Sam has heretofore required.

We should also vigorously pursue other nations to join us in trade liberalization policies that will allow all farmers, including Americans, to compete fairly in an international marketplace based on equal market access and opportunity.

As we go through 1990, the Bush administration will be working with farmers and the Congress to reach these goals. We need the American Farm Bureau's help to get the job done. There are two areas in particular which demand that we build a better understanding of the issues:

1.) The indirect but important links between the 1990 Farm Bill and the Uruguay Round of multilateral trade negotiations;

2.) The essential differences between today's farm situation and the conditions of 1985; including a look at some of the external pressures that will affect 1990 farm legislation.

The issues surrounding this year's farm bill are broad and complex. The Farm Bureau's task in communicating these issues to the farm community will be more important—and tougher—than ever. American farmers need to understand better their crucial stake in the GATT and how the newly emerging environmental and food safety issues can directly impact their own farming operations.

The Farm Bill and the Gatt

1990 offers a unique challenge. We will be overhauling U.S. farm policy while concurrently negotiating the most significant multilateral agricultural trade discussions since the end of World War II—in fact, probably the most significant multilateral trade negotiations ever on agriculture.

The 1990 Farm Bill needs to be finished by early fall and the GATT negotiations are scheduled to reach a conclusion in December. This parallel timing has led some to worry that the GATT might somehow take precedence over the farm bill. A few critics on Capitol Hill have even been demanding that the 1990 Farm Bill be written in Washington.

All that is a non-issue. Of course the 1990 Farm Bill will be written in Washington. It will be written by the United States Congress as it always has been. To suggest otherwise is just so much political poppycock.

But it would be equally foolish to say that U.S. farm legislation will not be affected by the GATT negotiations—or vice versa. Changes in world agricultural trading rules will obviously affect the United States as

the world's major agricultural exporter—hopefully for the better. And when the United States Congress alters farm policy in the world's leading agricultural nation, that certainly changes the shading of issues involved in world trade negotiations.

For the American farmer, one hazard in all this is to get bogged down in meaningless debate when the real issue is to build a stronger agricultural economy for America, a move that will benefit farmers, consumers and taxpayers alike. We must keep our eyes on the ultimate target as we go through this busy, complex year in agriculture—and there will definitely be attempts to distract us. There is nothing some of our trading partners would like better than to see the U.S. go off on a divisive tangent, just when the hard negotiating on agricultural trade issues is really beginning—as it is in 1990 in the GATT. That has happened in the past, which is one reason we've never accomplished much in the GATT on agriculture so far.

While it's natural for the U.S. agricultural community to have differences on the nuances of trade policy, the more united front we can muster, the more likely our negotiators in Geneva will succeed in gaining improved market access for American farmers.

The Uruguay Round is a "horse-trading" session—and a rugged one. The more we understand this, the better we'll do. When our negotiating partners attempt to decoy us by spreading misinformation, it's important to spot it, call it what it is and bring it to the attention of American farmers and our negotiating allies. The Farm Bureau can help do this and in the process, be of service to all our farmers.

One misstatement some Europeans seem determined to make and sporadically attempt to fan into life in the media is that the U.S. position in the Uruguay Round is to eliminate all farm program benefits to all farmers—everywhere.

That has never been the U.S. position.

Our position is that farm policies and economic safety nets for farmers—our own or anybody else's—ought to be designed and administered in ways that do not distort international trade. That does not preclude the use of safety nets for farmers. It simply says that all nations ought to be creative enough to establish non-distortive (or at least minimally distortive) farm programs. I do not believe this is an unrealistic expectation for anyone.

A similar red herring, raised here in the U.S. by proponents of stronger government intervention in agriculture, is that the GATT

negotiations are just a Bush administration ploy to slash target prices and commodity loan rates in the 1990 farm bill. Again, this is not true. It makes absolutely no sense for the U.S. to "unilaterally disarm" in agricultural policy, then stand back and expect other nations to respond in kind simply because we've been nice guys. They're not likely to do it.

You know this. I know this. Ambassador Hills, our U.S. Trade Representative in charge of the GATT negotiations, knows this. And so do the Europeans, the Japanese and every one of the other 95 nations participating in the negotiations.

Throughout this last year I have had individual farmers ask me what the GATT is really all about, how it relates to U.S. farm policy and why I consider it so vital. It's simple. The American purpose in negotiating agricultural trade issues is to win market access for U.S. farmers to the maximum extent possible. The importance of doing this can be seen by examining some of the gains we have made through bilateral negotiations in recent years.

Beef to Japan

Following intense negotiations, Japan agreed in the summer of 1988 to gradually eliminate its import quotas on beef. Here's what happened.

During the first year of the three year transition period, U.S. beef exports to Japan are up 70 percent—and sales for the year are expected to reach $1 billion. We now enjoy a 40 percent share of the Japanese meat import market.

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I've been hearing recently about the downside potential of GATT negotiations, i.e., what we might lose. But let's recognize there is also an upside potential, which is why we're there. Based on our recent experience in beef, citrus and tobacco, that upside potential is real. I.e., we have much to gain in the negotiating process.

If we can bring the Uruguay Round to a successful conclusion, it could, over time, go a long way toward liberating American farmers from dependence on taxpayer subsidies, while simultaneously sustaining—and hopefully boosting—farm income by generating increased opportunities in the marketplace. That is what this GATT exercise is all about. It should be welcomed, not feared.

It's taken a long time and a lot of work to get to this point. Unfortunately, agriculture has not always been a top negotiating priority for the U.S. (or anybody else) in the GATT—and for 40 years, U.S. farmers have been essentially ignored. This time is different. The United States has put agriculture on the front burner of the Uruguay Round and Ambassador Hills and her staff at USTR are keeping the heat on.

This is a real change and American farmers need to understand that. Previously some of our trading partners have never even allowed a serious discussion of agricultural trade reforms to occur in the GATT. They would negotiate on industrial goods but not agriculture.

The GATT has been remarkably successful in the industrial sector. Tariffs on manufactured goods in the industrial countries have been lowered from an average of about 40 percent in the mid-1960's to an average of less than 6 percent following the Tokyo Round which ended in 1979.

During a similar time frame, nominal rates of protection on agricultural commodities in the industrialized countries have increased from 21 percent in 1965 to a crippling 40 percent in 1988.

Who pays? A lot of people, including you! Put the equivalent of a 40 percent tariff on $1000 worth of grain and it suddenly costs $1400. That's enough to kill a lot of deals—and certainly enough to make U.S. farmers non-competitive with any farmers who don't have to absorb such a burden.

While GATT negotiations in the industrial sector have led trade in manufactured items to become more responsive to marketplace conditions, agricultural trade has been smothered under layer after layer of government intervention between farmers and their potential customers. U.S. farmers get hurt badly by all this, as do efficient farmers everywhere. That simply must change.

Ambassador Hills is doing an outstanding job and her team representing you in the GATT is one of the best I've ever seen. They are committed to making significant gains for U.S. farmers and you can have lots of confidence in them. I do not look for them to be outnegotiated by anybody!

I also believe, as do President Bush and Ambassador Hills, that the U.S. position on agriculture is intellectually correct, morally sound and carries the potential to truly benefit all the world's people.

So the only disconnect between the 1990 Farm Bill and the concluding negotiations of the Uruguay Round is one of timing. The current GATT negotiations aren't scheduled to conclude until December, 1990, and we need to get a U.S. farm bill out the door before that. U.S. wheat farmers need to know by late August what their farm program will be under the 1990 farm bill and I will work to make that happen. I know that House and Senate agricultural leaders feel the same way.

Only after—and if—we get a satisfactory Uruguay Round agreement,

will we and others need to re-tool our farm policies. Realistically, we are looking at a two step process: a 1990 farm bill and a 1991 revision.

1989 Farm Situation VS. 1985 Farm Situation

Financial stress was the source of much of the farm bill debate in 1985. Fortunately this will not be the case this year. We have moved from crisis to recovery in the farm economy since 1985. Farm exports, helped along by a 30 percent devaluation of the dollar between early 1985 and mid-1988, our bilateral trade negotiations, aggressive use of the EEP program and lower loan rates, led the charge. After hitting a low of $26 billion in 1985, U.S. farm exports bounced back to $40 billion in 1989.

Paralleling this development, total cash income rose almost 31 percent between 1985 and 1988, hitting about $46.6 billion in 1988.

Our overall debt-to-asset ratio improved about 25 percent between 1985 and 1989. It now stands at a fairly comfortable 17.6 percent. In total, farm debts are sharply lower, $50 billion less than their peak in 1983.

The Farm Credit System, which was on the edge of collapse in 1985, has recovered substantially—while using only about one-quarter of the federal assistance money that Congress thought would be needed. About $1 billion has been used to date.

Overall, farmers had their best year ever in 1989. U.S. net cash farm income hit about $55.4 billion.

We have to give the 1985 Farm Bill a good deal of credit in helping bring about this turn-around—but we also have to acknowledge that it has been a relatively expensive exercise. Annual farm program costs have run in the $10 to $14 billion range the last two years, after hitting a high of $26 billion in 1986.

Looking ahead, I see two closely related factors affecting the 1990 Farm Bill.

The First:

A massive federal budget deficit which must be reduced through a combination of economic growth and spending discipline.

The Second:

U.S. agriculture must continue to earn more of its income from the marketplace. The level of government subsidies encompassed in the 1985 farm bill is not likely to be replicated in the future—under any administration.

The federal deficit, while substantially below the $221 billion peak in

1986—is still massive and intolerable. Under the Gramm-Rudman-Hollings legislation the deficit must not exceed about $100 billion in FY 1990 (the current operating year), $64 billion in FY 1991, $28 billion in FY 1992, and zero in FY 1993. The effects of this have to be considered not just for 1990, but for the entire life of the 1990 farm bill.

The required budget reductions are real; there is little room for operating with "smoke and mirrors." Since the passage of Gramm-Rudman- Hollings, federal purchases of goods and services in real terms have fallen at a 0.5 percent annual rate. That's in sharp contrast to the average annual growth rate of 4.6 percent for such expenditures during 1980-85.

President Bush is dead serious about getting federal spending under control and there is no question that a tighter federal budget will put severe pressure on farm program spending. But that has its good side too. Controlling deficit spending will hold down interest rates and agriculture is a big borrower.

In addition to budgetary constraints, as we go into 1990 we must also be cognizant of an increasing number of external forces now affecting U.S. agriculture—among them environmental and food safety concerns. Advocacy groups in these areas want a say in making agricultural policy, which they see as directly affecting their own lives.

Let me share two examples I have run across recently that are indicative of the sort of debate which will increasingly affect farmers and agriculture.

The first piece is from the November, 1989 Atlantic Monthly. It's from a cover article titled, "BACK TO EDEN." The lead sentence alone should astonish you if you haven't already read it.

"Although agriculture has given us the cities, wealth, the arts and sciences—what we call civilization—on the whole it has been a mistake."

From that point you get twenty pages of the author's view of what an environmental tragedy U.S. agriculture has been and, he says, still is.

While public debate of controversial issues is healthy, this sort of hyperbole benefits no one. We should continually examine and improve farming methods and the science surrounding agriculture. I know that you concur with that view. We may not be perfect but the environmental performance of American agriculture need not take a back seat to any other industry. Nor to critics—who just may have an imperfection or two of their own!

Let me review another example which recently took me aback. The

Wall Street Journal carried an excellent editorial a few weeks ago referring to a statement by a spokesperson of the National Resources Defense Council (NRDC), the people who hired a professional public relations firm to build the case against Alar.

According to the Journal, the spokesperson said, "It's a tremendous disappointment. Allowing the EPA to condone continued use of a chemical whenever the benefits outweigh the risks is absolutely anathema to the environmental community."

To me, that's an incredible statement. It presumably says that agrichemicals should never be used—even when the benefits far outweigh the risk and even when the risk is negligible, perhaps even immeasurable. What an outrageous policy position!

It's time to regain perspective in the food safety debate. I hope that as Farm Bureau members, you get involved in this element of the upcoming legislative deliberations.

Help bring some sense to the debate. Help us tell the positive story of American agriculture and America's food supply. Ferret out the facts; tell them clearly and tell them as often as you can. This is an educational challenge for those of us who believe in rational decision making. Let's hope that America's newspaper and magazine readers, television viewers and radio listeners have had about enough scare tactics and what some have begun to call "environmental terrorism." Food safety and environmental issues should be decided on the basis of science and reason. It is time not only for us to say that, but for responsible environmental and consumer organizations to do so as well.

Conclusion

I have covered a wide range of topics here with you today and I hope it gives you a clearer picture of where I think we'll be heading in agriculture—and where we need to be heading in agricultural policy—as we move toward the twenty-first century. We have a great deal of work to do together over this next year. As we work toward new farm legislation, we must recognize that our farmers and ranchers have as their foremost challenge the meeting of consumer needs and demands—around the world.

American agriculture is in the nutrition business and, we hope, in the industrial materials business. In the years ahead, we should see agricultural products increasingly feeding our industries as well as nourishing our bodies.

This means taking a good hard look at how we use farmland and other agricultural resources to our best advantage. To do so we must construct farm programs to maximize our profit potential in the marketplace—while also conserving these resources for the benefit of future generations.

We must do this in the context of a rapidly changing world that is filled with new competition—and new opportunities.

As I said when I started today, seldom have American farmers had more at stake than in the set of issues we'll deal with together in 1990. Let's work together to gain the market access necessary for our agricultural products to compete fairly in world markets and let's capitalize on those opportunities by designing and implementing a sound farm policy here at home.

I know that American agriculture is up to the challenge and that Farm Bureau members will be in the forefront of that effort.

Thank you for your splendid cooperation and support.

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News Releases

U.S. Department of Agriculture • Office of Information

YEMEN ELIGIBLE FOR MORE WHEAT UNDER EXPORT ENHANCEMENT PROGRAM

WASHINGTON, Jan. 4—Acting Under Secretary of Agriculture Ann Veneman today announced an opportunity for sales of an additional 150,000 metric tons of U.S. wheat to the Yemen Arab Republic under the U.S. Department of Agriculture's Export Enhancement Program.

Sales of wheat will be made to buyers in Yemen Arab Republic at competitive world prices. The export sales will be made through normal commercial channels with the assistance of commodities from the inventory of the Commodity Credit Corp. The subsidy will enable U.S. exporters to compete at commercial prices in the Yemeni market.

This allocation will be valid for a one-year period as provided for in the invitation for offers. Details of the program, including an invitation for offers from exporters, will be issued in the near future.

For more information telephone Mark Rowse, (202) 382-9240, or Larry McElvain, (202) 447-3224. For a tape-recorded message announcing the issuance of invitations under EEP call the CCC Operations Hotline, (202) 447-2042.

Sally Klusaritz (202) 447-3448

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USDA ANNOUNCES PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON

Washington, Jan. 4—Under Secretary of Agriculture Richard T. Crowder today announced the prevailing world market price, adjusted to U.S. quality and location (adjusted world price), for Strict Low Middling (SLM) 1-1/16 inch (micronaire 3.5-4.9) upland cotton (base quality) and the coarse count adjustment in effect from 12:01 a.m. Friday, Jan. 5, through midnight Thursday, Jan. 11.

Since the adjusted world price (AWP) is above the 1988 and 1989 crop base quality loan rates of 51.80 and 50.00 cents per pound, respectively,

the loan repayment rates for the 1988 and 1989 crops of upland cotton during this period are equal to the respective loan rates for the specific quality and location.

The AWP will continue to be used to determine the value of upland cotton that is obtained in exchange for commodity certificates. Because the AWP in effect is above the established loan rate, loan deficiency payments are not available for 1989-crop upland cotton sold during this period.

Based on data for the week ending Jan. 4, the AWP for upland cotton and the coarse count adjustment are determined as follows:

Adjusted World Price		
Northern Europe Price		76.89
Adjustments:		
Average U.S. spot market location	12.70	
SLM 1-1/16 inch cotton	2.20	
Average U.S. location	0.39	
Sum of Adjustments		-15.29
ADJUSTED WORLD PRICE		61.60 cents/lb.
Coarse Count Adjustment		
Northern Europe Price		76.89
Northern Europe Coarse Count Price		-73.06
		3.83
Adjustment to SLM 1-inch cotton		-4.75
		-0.92
COARSE COUNT ADJUSTMENT		0 cents/lb.

The next AWP and coarse count adjustment announcement will be made on Thursday, Jan. 11.

Charles Cunningham (202) 447-7954

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PEACH AROMA COMES FROM A MIX OF NATURAL CHEMICALS

WASHINGTON, Jan. 5—A peach owes its sweet smell to the right mix of five natural chemicals, according to U.S. Department of Agriculture researchers.

Chemists Robert J. Horvat, James A. Robertson and Glenn W. Chapman Jr., of USDA's Agricultural Research Service have identified and quantified the exact profile of chemical compounds that make a tree-ripened peach smell mouthwatering good.

"We identified five specific compounds from tree-ripened fruit that, mixed together in the right quantities, are essential to create what our smell panelists call 'the peach aroma,'" Horvat said.

He and the co-researchers did the studies at the ARS Horticultural Crops Quality Research Laboratory in Athens, Ga.

He said the research team's informal smell panels could detect differences in the aroma of peaches just four hours after they were picked. On the panels were people who are specialists in odor chemistry.

"For our panels to get the best peach smell, we found a peach really had to be less than four hours off the tree," Horvat said.

But commercially, most peaches must be picked a little on the green side. That allows time for them to be shipped to market before they get soft or overly ripe. Eventually, Horvat said, the objective is to make recommendations for when peaches should be picked for the best compromise in shelf life and aroma.

When the researchers analyzed peaches picked on a typical commercial schedule, they found there was a totally different profile for the five essential compounds.

"It wasn't so much that any were missing, but rather they were in a different combination of concentrations," Horvat said. "In particular, there was a much lower concentration of the two aldehydes."

He said the five aroma compounds were identified as two six-carbon aldehydes, a terpene, linalool and delta-dodecalactone, a 10-carbon lactone. Each was present in quantities measured only in parts per billion.

Now that research has isolated the essential compounds in peaches that come up to snuff as far as aroma, Horvat said studies are needed to pin down the point at which peaches on the tree start approaching that profile.

"But for real peach aficionados," Horvat said, "the only answer to a perfect smelling peach may be a peach tree in the backyard."

Kim Kaplan (301) 344-3932

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USDA ANNOUNCES PROJECTED 1990 FARM PROGRAM ADVANCE DEFICIENCY PAYMENT RATES

WASHINGTON, Jan. 5—Keith Bjerke, executive vice president of the U.S. Department of Agriculture's Commodity Credit Corporation, today announced the projected deficiency payment rates for 1990 crops on which advance payments will be based.

Producers who participate in 1990 farm programs may request advance payments during program signup, Jan. 16 through April 13. Advance payments will be made in cash.

Advance payments will be made on the basis of 40 percent of the projected total deficiency payment rates, including emergency compensation commonly known as "Findley payments," for wheat, feed grains, upland cotton and rice, less the reductions listed below, which are required by the Omnibus Budget Reconciliation Act of 1989. Payments made to producers will be further reduced by 1.4 percent, as required by the Budget and Emergency Deficit Control Act of 1985.

Payment rates are:

	Projected Deficiency Payment Rates	40% of Projected Payment	Deficiency Payment Reduction	Adjusted Advance Dificiency Payment Rate
		-------dollars-------		
Wheat, per bushel	.90	.36	.0233	.3367
Corn, per bushel	.90	.36	.0233	.3367
Sorghum, per bushel	.91	.364	.0221	.3419
Barley, per bushel	.26	.104	.0200	.0840
Oats, per bushel	.00	.00	.0123	.00
Upland Cotton, per pound	.105	.042	.00515	.03685
Extra Long Staple Cotton, per pound	.00	.00	.00	.00
Rice, per hundredweight	4.06	1.624	.0515	1.5725

The deficiency payment rates for wheat and feed grains on acreage devoted to conserving use under the optional acreage diversion program—the 0/92 program—will not be less than the projected deficiency payment rates shown above.

Bruce Merkle (202) 447-8206

#

NATION'S AG COLLEGES REPORT STEADY ENROLLMENTS, STRONG DEMAND FOR GRADUATES

WASHINGTON, Jan. 8—It's another bumper crop of freshmen and corporate recruiters, say the nation's deans of agriculture who are enjoying a second year of growth following a decade of declining enrollments in most colleges of agriculture. The deans report increased this fall enrollments and higher starting salaries for graduates.

Meanwhile, recruiters are working longer hours, and visiting college campuses earlier and more often, to find just the right graduate. The demand for graduates of agriculture is strong, from the traditional options such as agronomy, agricultural economics, horticulture and animal sciences, to the newer programs in food science, turf grass management and landscape design.

According to Dr. John Patrick Jordan, administrator of USDA's Cooperative State Research Service, the career opportunities available for graduates in the food and agricultural sciences are exciting. "The enrollment turnabout being reported in the last two years indicates that college students are recognizing this fact in greater numbers', he said. "Opportunities for science-oriented students will be enhanced greatly with the implementation of the newly proposed National Initiative for Research on Agriculture, Food and Environment."

The nation's agricultural enrollments, which peaked in 1977 at most colleges, had steadily eroded until 1987. Now, many colleges are reporting increases in the numbers of freshmen who are planning careers in the agricultural and life sciences.

In the nation's midsection most agricultural colleges report steady or increasing enrollments. At Purdue University, West Lafayette, Ind., the undergraduate agricultural enrollment increased by 170 students to 1,891 in 43 study options, a 10-percent improvement over 1988. School of Agriculture officials counted 437 first-semester freshmen in agriculture

this fall, 46 more than a year ago, an increase of 11.7 percent.

While Purdue's largest departmental enrollments are in horticulture, agricultural economics, animal sciences, and preveterinary medicine, the most rapidly growing options are landscape architecture, food science, biochemistry, and environmental and wildlife sciences.

Karl G. Brandt, associate dean and director of resident instruction, believes the enrollment is increasing in part because "job opportunities are very good, we are working very hard to tell the story of the exciting careers throughout agriculture, and, on campus, there is a growing awareness of opportunities and programs of study."

The need for agricultural graduates is emphasized by higher starting salaries and greater numbers of recruiters on campus this year. A third more—52—attended Purdue's 12th annual Agricultural Career Day, and were prepared to offer graduates annual starting salaries of $18,000 to $30,000.

Purdue graduated 356 seniors in December 1988 and May and August of 1989. By September, 96 percent of the May graduates either had jobs or were continuing studies in graduate or professional schools.

"The number of graduates is still smaller than the available jobs," Brandt said. "I expect to see continuing increases in both starting salaries and numbers of recruiters visiting the campus."

At Ohio State University, Columbus, Ray A. Miller, assistant dean for student affairs in the College of Agriculture, said the fall enrollment of 1,500 undergraduates is about the same as a year ago, which was an increase of 10 percent over the 1987 enrollment.

The college counted 175 first quarter freshmen and about 50 transfer students, with about 75 percent of new students coming from farm backgrounds, and about 35 percent women.

The largest enrollments, Miller said, are in animal sciences and agricultural economics, each with about 25 percent of the enrollment.

The strongest demands for graduates are coming from food science and technology, and turf grass industries, Miller said. Poultry science majors have also enjoyed a strong job market. "There are few students, but excellent opportunities," he said.

Starting salaries can range as high as $32,000 annually, Miller said, with the college's average just under $22,000. The highest salaries are going to those graduates who enter private business or become entrepreneurs, he added.

Further west, the agricultural enrollment at Iowa State University,

Ames, Iowa, reached 2,110 undergraduates in 21 majors, rebounding from 1,964 two years ago. The College of Agriculture counted 354 first semester freshmen and 146 transfer students. Women accounted for 483 of those students.

The most popular options at Iowa State are animal science, agricultural business, animal ecology, fish and wildlife biology, and farm operations, which together account for 1,006 of this year's students. A preveterinary medicine program has 215 students.

New options such as genetics and agricultural biochemistry are attracting more students, in part because the college has introduced 10 full tuition scholarships for biotechnology majors.

Roger L. Bruene, assistant to the dean at Iowa State, who leads the college's placement efforts, describes the "strongest demand in 10 years, better even than last year." The strongest demands are "across the board for anything relating to plant and animal agriculture, and very strong in the food processing area," Bruene said.

He cited "very strong demands for workers in swine production, farming situations, and agricultural business." Salaries can range as high as $30,000 annually, Bruene added.

In the Northwest, Joseph E. Kunsman Jr., associate dean for resident instruction at the University of Wyoming, Laramie, said the College of Agriculture's undergraduate enrollment of 700 has increased 13.5 percent since the low of 619 in 1986. Women account for 50 percent of the agriculture students.

The largest enrollments are in agricultural economics, molecular biology, including biochemistry, and animal sciences.

Wyoming graduates about 100 seniors a year, Kunsman said. Surprisingly, about half continue studies in veterinary medicine, human medicine or graduate schools.

About a third take professional jobs in agricultural business and sales, Kunsman said. The strongest demand for agriculture graduates at Wyoming is for "any major" to take entry level jobs in agricultural business, banks and other lending agencies, and insurance companies. Only 15 percent take jobs in agricultural production.

John P. H. Brand, associate dean, College of Agriculture and Natural Resources at the University of Connecticut said the enrollment at Storrs is stable with 356 undergraduates on the main campus and some 45 at branch campuses. Animal sciences has the largest enrollment with 111 students, many of them interested in equine science. The second largest

program, landscape design, has 80 students, and nutritional science has 42 students.

Brand said the college enrolled some 85 freshmen this year at Storrs, but much of the school's enrollment comes as transfer students from other colleges, and the liberal arts programs at Storrs.

This year the University of Connecticut will graduate 85-90 agriculture students. The ''unmet demand'' is for horticulture graduates, Brand said, while the largest continuing demand is for nutritional science graduates. He said there are ''legions of very high paying jobs'' in food processing and food science.

Brand estimates starting salaries range from $18,000 to $26,000 annually, and places the average near $22,000. ''The range is very great, surprising at times,'' Brand said.

Bonnie M. Johnson, acting director of instruction, Washington State University College of Agriculture and Home Economics, Pullman, Wash., said that while 1989 enrollment figures are not yet available, she expects a 3 percent increase to some 1,400 undergraduate and graduate students in 26 majors. The college's enrollment increased 17 percent in 1987 and 10.5 percent in 1988.

The college awarded 450 baccalaureate degrees a year ago, and Johnson expects about the same in 1989-90. She placed the college's average starting salaries at $20,000, but cited a wide range according to the major field of study. The small number of agronomy graduates averaged $28,000 a year on the first job, and food science graduates commanded salaries ranging from $28,000 to $30,000 annually.

At Alabama Agricultural and Mechanical College, Normal, the School of Agriculture enjoyed a 33 percent increase of undergraduates, from 203 a year ago to 303 this fall. Nimrod Cobb, associate professor of agriculture, said the enrollment, which declined after 1977, had been steady for three or four years. Women account for a third of the enrollment. The school also has 206 master's degree candidates, and eight doctoral students. Cobb credited a ''hot recruiting'' program for much of the school's increase.

Cobb said agribusiness management is the school's most popular study option, with 34 students this fall. He expects increasing enrollments through the next five years.

Starting salaries have averaged ''around $19,500 a year,'' Cobb said, with agriculture teachers commanding $23,000-$24,000 annually. The

school has placed all of this year's graduates, he added. ''The demand is across the board, in all sectors of agriculture.''

The nation's deans expect the current enrollment and placement trends to continue for some time to come.

Iowa's Bruene said he expects the demand for agriculture graduates to continue to be strong well into the 1990s, with salaries dictated by the supply of, and demand for, graduates.

Miller predicted that agricultural enrollments will continue to increase in the nation's land-grant colleges of agriculture, and forecast increased demand and rising salaries for graduates.

Thomas A. Polito, assistant to the dean of agriculture at Iowa State University, said that he expects a slowly increasing enrollment during the 1990s in spite of an expected decline in the number of high school graduates in Iowa. He believes there is a renewed interest in agriculture, particularly production agriculture. And too, increased efforts to tell young people about opportunities in agriculture are effective, Polito said. ''Things are turning around,'' he said.

''We will continue to experience a supply of graduates insufficient to meet the demands of employers,'' Brand said. ''Employers will then pay higher salaries and wages for agriculture graduates, or hire graduates not as well qualified, Brand said. Higher wages will attract more students, he concluded. ''There is a great future for everyone.''

Pat Casula (202) 447-7854

#

FISH BACTERIUM MAY HELP PROTECT AGAINST ITSELF

WASHINGTON, Jan. 8—A bacterium deadly to catfish could be the key to diagnosing and even preventing the disease it causes, saving millions of pounds of catfish, according to a U.S. Department of Agriculture scientist.

The culprit is Edwardsiella ictaluri, and it is estimated to be at the root of up to 40 percent of all catfish diseases in the southeastern U.S. Phillip H. Klesius, a microbiologist with USDA's Agricultural Research Service, has isolated a protein from E. ictaluri that can be mixed with blood from live fish to provide a relatively quick diagnosis.

Klesius said the protein, called an immunodominant antigen, may also be used someday in a vaccine against the disease.

Previously, no good diagnostic tools for E. ictaluri existed, so farmers might not realize their pond was infected until fish had died. The farmer's only choices were use of medicated feeds, which drove up production costs and might not always be needed, or gambling that the disease would not strike. The guessing game, with its subsequent production losses, has cost fish farmers $10 million annually, Klesius estimated.

The research to test the protein was done in cooperation with John Plumb, a professor of fisheries and allied aquaculture at Auburn University, and Robert Durborow, a fisheries specialist with the Mississippi Cooperative Extension Service at Stoneville, Miss. Klesius works at ARS' Animal Parasite Research Unit at Auburn, Ala.

A report on Klesius' work with E. ictaluri appears in the current issue of "Agricultural Research" magazine.

Sandy Miller Hays (301) 344-4089

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USDA PROPOSES INCREASED FEES CHARGED TO MEAT AND POULTRY PLANTS

WASHINGTON, Jan. 8—The U.S. Department of Agriculture's Food Safety and Inspection Service is proposing to increase the fees charged federally inspected meat and poultry plants for certain inspection services including laboratory work and overtime.

"Our yearly cost analysis has indicated a need to increase some inspection fees to meet agency expenses," said Dr. Lester M. Crawford, FSIS administrator.

Overtime and holiday rates for federal inspection at meat and poultry plants would be raised to $27.24 per hour, up from $25.88. Rates for voluntary inspection and certification services would be increased to $26.68, from $23.60 per hour. Charges for laboratory work would be increased to $46.60, from $42.88 per hour.

Federal law provides for inspection of meat and poultry products involved in interstate and international commerce during regular working hours. However, USDA is authorized to charge plants for inspection services beyond regular work schedules, for laboratory work, and for voluntary inspection and certification services.

Comments on the proposed fee increases may be sent by Jan. 22 to the

Policy Office, Attn: Linda Carey, FSIS Hearing Clerk, Room 3171 South, FSIS- USDA, Washington, D.C. 20250.

FSIS inspects meat and poultry products to ensure they are safe, wholesome, and accurately labeled.

Jim Greene (202) 382-0314

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USDA DECIDES FOUR ANIMAL WELFARE ACT COMPLIANCE CASES

WASHINGTON, Jan. 9—The U.S. Department of Agriculture settled four cases during October 1989 to enforce the humane care and treatment of animals regulated under the Animal Welfare Act.

Larry B. Slagle, acting administrator of USDA's Animal and Plant Health Inspection Service, said the cases resulted from earlier charges. Details are:

—Paul L. Meachum and Terry Meachum doing business as M & M Enterprises in Florence, Wis., were ordered by an administrative law judge to pay a $30,000 civil penalty and cease and desist from operating their business without a valid license. Also, the partners were ordered to refrain from operating in any business capacity that requires a license under the Animal Welfare Act for 20 years. The judge imposed the penalty following a hearing in Green Bay, Wis. The Meachums have 30 days from service of the decision to appeal it to the judicial officer. USDA brought charges against the Meachums because they allegedly maintained their facility with multiple deficiencies in housing, sanitation and waste disposal. Also, they failed to establish a program of veterinary care and denied USDA inspectors access to their animal inventory records. Further, USDA alleged that after the Meachums voluntarily surrendered their federal license on June 12, 1987, they continued to purchase and sell dogs in wholesale channels.

—Irene Mikula and Henry Mikula of Chetek, Wis., were ordered by an administrative law judge to cease and desist from future violations of the Animal Welfare Act and, in particular, from operating without a federal dealer's license. They were also ordered to refrain from engaging in any business capacity that requires a license under the act for one year. Although the Mikulas voluntarily surrendered their license on Feb. 28,

1987, USDA alleged that they continued to sell dogs wholesale on several occasions between March 19 and May 8, 1987.

Other alleged violations were cited during routine compliance inspections on Jan. 23 and Feb. 25, 1987. Allegedly, dogs were held in poorly ventilated housing. In addition, the interior building surfaces were not moistureproof, primary enclosures were overcrowded and not regularly cleaned and sanitized, no provisions were made for the removal and disposal of animal waste and other debris, and animal food and bedding supplies were not adequately stored to protect against contamination or vermin infestation.

—Trans World Airlines, Inc., with a business address in Mount Kisco, N.Y., has agreed to the issuance of a cease-and-desist order and to pay a $12,500 civil penalty without admitting or denying USDA allegations that it violated federal transportation standards for dogs. Also as part of the settlement, Trans World has agreed to purchase a training film approved by USDA, and, within one year, will show it to all employees who accept live animals for transport or handle them during shipment. The airline also agreed to notify USDA officials at least 10 days before each training session so that an APHIS representative may be present. At the conclusion of one year, Trans World will submit a written report certifying the date, location and number of employees who attended the training sessions.

USDA charged Trans World under provisions of the Animal Welfare Act. The airline allegedly breached a 1981 cease-and-desist order on four occasions between April 29, 1987, and Jan. 7, 1988, when it accepted some dog shipments in containers that allegedly did not conform to size requirements and have food and watering instructions attached. Other violations were cited because the airline allegedly failed to observe and care for the dogs properly and place the animals in cargo space that provided sufficient ventilation.

—Sema, Inc., a registered research facility in Rockville, Md., was assessed a $2,500 civil penalty and was ordered by an administrative law judge to cease and desist from future violations of the Animal Welfare Act and, in particular, from harassing or intimidating in any manner USDA personnel performing their official duties. USDA charged that during a routine compliance inspection, Sema employees withheld information about research animals, prevented APHIS inspectors from taking pictures of cages and interfered with their departure by blocking

their car in the parking lot. Sema has appealed the decision of the administrative law judge.

Standards for the care and treatment of certain animals have been required by the Animal Welfare Act since 1966. Animals protected by the law must be provided adequate housing, handling, sanitation, food, water, transportation, veterinary care and protection against extremes of weather and temperature. The law covers animals that are sold as pets at the wholesale level, or are used for biomedical research or for exhibition purposes.

USDA enforces the act primarily through administrative prosecutions. Many of these cases are resolved through the consent decision provisions of the regulations. Under these provisions, USDA and the respondent named in the complaint agree to a stipulated order and penalties. If the case is not settled, there is a hearing before an administrative law judge who issues a decision. Any party may appeal the administrative law judge's decision to the Department's judicial officer. The respondent may appeal an adverse decision by the judicial officer to the U.S. Court of Appeals. Failure to respond to the charges in the complaint results in the issuance of a default order assessing penalties.

Dealers, breeders, brokers, transportation companies, exhibitors and research facilities must be licensed or registered. USDA personnel make periodic, unannounced inspections to help assure compliance. Action is taken against violators after efforts to secure compliance are unsuccessful, Slagle said.

Questa Glenn (301) 436-7799

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USDA SETTLES 20 ANIMAL AND PLANT HEALTH COMPLIANCE CASES

WASHINGTON, Jan. 9—The U.S. Department of Agriculture settled 20 cases during October 1989 to enforce federal animal and plant health laws and regulations.

USDA's Animal and Plant Health Inspection Service is responsible for a variety of programs to prevent, control or eradicate pests and diseases of plants and animals. In enforcing the regulations to accomplish this mission, legal action is generally taken against violators only after

repeated efforts to secure compliance are unsuccessful, according to Larry B. Slagle, acting administrator of APHIS.

The latest monthly figures show that individuals and businesses who violated the regulations were fined a total of $24,325. Also, port inspectors collected $49,708 in civil penalties from 1,728 international travelers caught smuggling potentially hazardous agricultural products into the country and $8,750 from 41 businesses or shipping companies that mishandled or improperly disposed of regulated garbage.

In addition, 10 other charges were filed during October against persons or businesses accused of violating agency regulations. Four stemmed from the illegal interstate movement of cattle; two involved veterinary accreditation; one involved a violation of swine health protection regulations; one involved exporting cattle without testing them for bluetongue; one involved the importation of cattle embryos without a permit; and one involved importing fetal bovine serum from a country where foot-andmouth disease is known to exist.

USDA enforces its regulations primarily through administrative processes. Many of these cases are resolved through the consent decision provisions of the regulations. Under these provisions, USDA and the respondent named in the complaint agree to a stipulated order and penalties. If the case is not settled, there is a hearing before an administrative law judge who issues a decision. Any party may appeal the administrative law judge's decision to the USDA's judicial officer. The respondent may appeal an adverse decision by the judicial officer to the U.S.Court of Appeals. Failure to respond to the charges in the complaint results in the issuance of a default order assessing penalties.

The following actions, by subject, were settled in October:

IMPORT/EXPORT REGULATIONS—Import restrictions cover most farm animals and many plant materials and are aimed at preventing the introduction of serious foreign animal or plant diseases and pests that do not exist in this country. USDA certifies export shipments to assure that only healthy animals and plant materials reach foreign markets.

—George Allen of Brooklyn, N.Y., was assessed a $375 civil penalty by an administrative law judge after he failed to answer, within the allotted time, a formal complaint charging that he violated federal fruit import regulations. USDA alleged that on Aug. 3, 1986, Allen imported a prohibited mango and four passion fruit from the Dominican Republic into Jamaica, N.Y.

—Kumu Farms of Molokai, Hawaii, agreed to pay a $750 civil penalty without admitting or denying USDA allegations that it shipped, via Federal Express, two boxes of restricted or prohibited products into the continental United States. The alleged violation occurred on Sept. 14, 1987, when Kumu Farms moved from Hawaii to Oregon a box of sugarcane without an accompanying certificate or limited permit and a box of sorghum, which is prohibited entry.

—John Highstone of Anchorage, Alaska, was assessed a $750 civil penalty by an administrative law judge after he failed to answer a formal complaint charging that he violated federal fruit import regulations. Highstone has 30 days from service of the decision to appeal it to the judicial officer. USDA alleged that on March 18, 1988, Highstone offered for transport from Hawaii to Alaska a cardboard container with three prohibited avocados.

—American World Aviation, doing business at John F. Kennedy International Airport, Jamaica, N.Y., agreed to pay a $750 civil penalty without admitting or denying USDA charges that it failed to comply with federal regulations for handling foreign-origin garbage. USDA alleged that on Dec. 21, 1987, and on Jan. 12, 1988, the company removed foreign-origin garbage from commercial flights arriving in Jamaica, N.Y., from Saudi Arabia and Norway without having the waste contained in tight, leak-proof covered receptacles as required.

—Angel Samatra of Lancaster, Calif., was assessed a $250 civil penalty by an administrative law judge to resolve USDA charges that he violated federal import regulations. Samatra has 30 days from service of the decision to appeal it to the judicial officer. On Aug. 27, 1987, Samatra allegedly shipped eggplant, okra and beans from Hawaii to California. Shipment of these kinds of vegetables from Hawaii into or through the continental United States is prohibited.

INTERSTATE MOVEMENT OF LIVESTOCK—Certain livestock moving across state lines must be identified and accompanied by health certificates and permits, depending on the species, age, sex, health status and origin of the animals. A number of livestock diseases, such as brucellosis and tuberculosis, are being eradicated under cooperative state-federal programs; however, these diseases could spread rapidly if dealers and producers fail to follow shipping rules.

—Donald Forester, a partner with Forester Brothers in LaRue, Texas, and Athens Commission Company, Inc., of Athens, Texas, agreed to pay a combined $3,000 civil penalty without admitting or denying USDA

allegations that they violated federal cattle shipping regulations. USDA alleged that on at least six occasions between April 15 and Sept. 11, 1983, Forester and Athens moved cattle interstate. Allegedly, brucellosis-reactor and exposed cattle were moved other than directly to a recognized slaughtering establishment or to a quarantine feedlot as required. Other violations were cited because some of the cattle included in those shipments were moved without accompanying certificates, valid permits and owner's statements as required.

—Jerome Lies of Wichita, Kan., agreed to pay a $1,500 civil penalty without admitting or denying USDA charges of moving 64 cattle on two occasions, March 25 and Dec. 15, 1983, from Wichita, Kan., to Ponca City, Okla., and Walsenburg, Colo., without an accompanying owner's statement, health certificate and permit for entry as required.

—Ernest Mendel, doing business as Redfield Farms, Inc., in Amelia, Va., was assessed a $1,000 civil penalty by an administrative law judge to resolve USDA charges that he violated federal cattle shipping regulations. Mendel has 30 days from service of the decision to appeal it to the judicial officer. USDA alleged that on or about Sept. 9, 1987, Mendel moved at least 75 cattle interstate from Milford, N.H., to Amelia, Va., without an accompanying certificate and at least 20 of those cattle were not identified with an eartag as required.

—Danny Johnson and Chase and Johnson Livestock, Inc., of Glasgow, Ky., each agreed to pay a $250 civil penalty without admitting or denying USDA allegations that they moved approximately five brucellosis-reactor cattle interstate other then directly to a recognized slaughtering establishment. The alleged violation occurred on Dec. 5, 1985, when the cattle moved from Lebanon, Tenn., to Tama, Iowa.

—Kevin Wirth of Trempealeau, Wis., was assessed a $3,000 civil penalty by an administrative law judge after he failed to answer a formal complaint charging that he violated federal regulations governing the interstate movement of pigs. Also, Gordon R. Vick, doing business as Vick Livestock in Lewiston, Minn., agreed to pay a $1,000 civil penalty without admitting or denying his involvement in the alleged violations. USDA charged that on three occasions, April 3, April 23 and May 6, 1987, Wirth and Vick moved at least 349 feeder pigs interstate from Lewiston, Minn., to Sycamore, Ohio, without the required health certificate.

—Bert Smith, III of Church Hill, Tenn., was assessed a $2,000 civil penalty by an administrative law judge for failing to comply with federal

cattle shipping regulations. The administrative law judge imposed the penalty after Smith failed to answer allegations in a formal complaint by USDA. Allegedly, on Aug. 16, 1987, Smith moved 21 test-eligible cattle interstate from Tennessee to Missouri and four others on Jan. 15, 1989, from Tennessee to Texas, without an accompanying certificate as required.

—R. E. Smith of Houston, Mo., agreed to pay a $750 civil penalty without admitting or denying USDA allegations that he failed to comply with federal cattle shipping regulations. USDA alleged that on March 9, 1987, Smith moved at least 111 cattle interstate from Houston, Miss., to Mountain Grove, Mo., without an accompanying owner's statement, health certificate and permit for entry as required. federal cattle shipping regulations. USDA alleged that on three occasions, Sept. 18, Oct. 2 and Oct. 16, 1987, Freeman moved approximately 11 cattle interstate from Bostic, N.C., to Chesnee, S.C., without an accompanying certificate as required.

—James C. Hall of Enoree, S.C., agreed to pay a $200 civil penalty without admitting or denying USDA allegations that he violated federal cattle shipping regulations. USDA alleged that on April 16, 1987, Hall moved at least 23 cattle interstate from Laurins, S.C., to Siloam Springs, Ark., without an accompanying owner's statement and certificate as required.

—Steven Thompson of Summersville, Mo., agreed to pay a $500 civil penalty without admitting or denying charges that he violated federal cattle shipping regulations. USDA alleged that Thompson moved approximately 16 brucellosis-exposed cattle interstate other than directly to a recognized slaughtering establishment. The alleged violations occurred on Feb. 2, 1988, when the cattle were shipped from Pocohontas, Ark., to a premises in Springfield, Mo., that was not authorized to receive the cattle. Also, on Feb. 15, 1988, Thompson allegedly moved at least 11 brucellosis-exposed cattle from Springfield, Mo., to Longview, Texas, without an accompanying "S" brand permit.

—Rex Lee Clamon of Livingston, Texas, agreed to pay a $2,000 civil penalty without admitting or denying charges that he violated federal cattle shipping regulations. USDA alleged that on three occasions, May 27, July 14 and March 9, 1988, Clamon moved cattle interstate. Allegedly, brucellosisreactor, exposed and nonvaccinated cattle were moved other than directly to a recognized slaughtering establishment or quarantine feedlot as required. Other violations were cited because some

of the cattle included in those shipments were moved without an accompanying certificate and entry permit.

—L.C. Frede of Washington, Texas, agreed to pay a $250 civil penalty without admitting or denying USDA charges that he violated federal cattle shipping regulations. USDA alleged that Frede moved at least 23 brucellosisexposed cattle interstate other than directly to slaughter or to a quarantine feedlot as required. The alleged violation occurred on Oct. 5, 1988, when the animals were shipped from Washington, Texas, to a premises in Nashville, Ark., that was not authorized to receive the animals.

—A.L. "Shorty" Clamon of Livingston, Texas, agreed to pay a $2,250 civil penalty without admitting or denying USDA charges that he violated federal cattle shipping regulations. USDA alleged that on five occasions between Jan. 20, 1987, and March 9, 1988, Clamon moved 12 test-eligible cattle interstate from various locations in Louisiana and Arkansas to Livingston, Texas, without an accompanying certificate and entry permit. Also, he was accused of removing official eartags from at least three of the animals included in the March 9 shipment.

—Press H. Andrews of Dothan, Ala., agreed to pay a $1,000 civil penalty without admitting or denying USDA allegations that he failed to comply with federal cattle shipping regulations. USDA alleged that on three occasions, Jan. 27, Jan. 29 and Feb. 3, 1987, Andrews moved at least 24 cattle interstate from Chipley, Fla., and Montgomery, Ala., to Montgomery, Ala., and Colombia, Ky., respectively without an accompanying certificate, entry permit or "S" brand permit.

—Randy L. Dungan of Oakland, Miss., and Odie F. Howard of Enid, Miss., have agreed to jointly pay a $2,000 civil penalty without admitting or denying USDA charges of violating federal cattle shipping regulations. USDA alleged that on or about Feb. 19, 1986, Dungan and Howard moved at least three test-eligible cattle interstate from Tallahatchie County, Miss., to Memphis, Tenn., that had not undergone the required brucellosis tests within 30 days prior to movement. Also, they allegedly shipped the cattle without an accompanying owner's statement, certificate and entry permit.

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PASTURE GRASS FROM "DOWN UNDER" STRETCHES THE FALL GRAZING SEASON

WASHINGTON, Jan. 9—A pasture grass from New Zealand has surprised U.S. Department of Agriculture scientists with its drought resistance and longer growing season.

Matua, a prairie bromegrass, was brought to the United States in 1986 as a coolseason—spring and fall—grass for grazing or hay, said agronomist Gerald A. Jung of USDA's Agricultural Research Service. Matua means "first" in the language of the Maori, New Zealand's original inhabitants.

"Matua was slowed down by the 1988 drought—the worst in 50 years in central Pennsylvania—but it thrived compared to other cool-season grasses," Jung said. He is based at the agency's U.S. Regional Pasture Research Laboratory, University Park, Pa.

Jung said about five more years of tests are needed to see if Matua can make the grade for U.S. farmers. "Our results, from almost two full growing seasons, are not conclusive," he said.

"But if Matua can stretch the fall grazing season, U.S. dairy and livestock producers could become less dependent on relatively expensive stored rations for their herds," he said. "The cost savings might give them a competitive boost in international markets."

In preference tests with dairy cattle last spring, Matua beat all competitors, he said. In a pasture where strips of Matua grew alongside strips of orchardgrass and bluegrass, cows ate the Matua down to four inches before switching over to the other grasses, which they ate down to eight inches. "They grazed Matua until it was so low it looked like it had been cut with a lawnmower—then they had to settle for the other choices," said Jung.

Matua stayed green and growing during the 1988 drought even after other test grasses stopped growing or shriveled up, Jung said. From June 15 to Nov. 15, 1988, it was cut for hay each time it flowered—when it was 18 to 24 inches high—a total of six cuttings. During one period when Matua grew two feet, orchardgrass grew only an inch.

Matua was developed for pasture use by New Zealand's Department of Scientific and Industrial Research. Unlike smooth bromegrass, Matua is a bunchtype grass that produces flower stalks in every crop, and it grows well into the fall. ARS imported it to see if it could stretch the grazing season in the eastern U.S. as it has in New Zealand.

So far, so good, according to Jung. "In our tests in Pennsylvania last year, Matua prairie grass remained green and growing into December. That's about a month after other cool-season grasses went dormant for the winter.

"On the negative side, we have observed some winter injury of Matua stands when cut late in the fall. However, stands that exhibited winter injury in April often recovered by July. Under certain conditions Matua was infected with considerable powdery mildew."

Matua is not readily available in the U.S. "Before recommending its use here as a pasture grass," he said, "we have to determine its nutritive value and, perhaps more important, learn how farmers can best integrate and manage this amazing grass in their farming systems.

"We are also conducting experiments with Matua to find the reasons for its high productivity under dry conditions."

Jung said tests are being conducted by the ARS, USDA's Soil Conservation Service and university scientists in Pennsylvania, New York, New Hampshire, West Virginia and Oregon.

Vince Mazzola (301) 344-4095

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USDA ANNOUNCES PREVAILING WORLD MARKET RICE PRICES

WASHINGTON, Jan. 9—Under Secretary of Agriculture Richard T. Crowder today announced the prevailing world market prices of milled rice, loan rate basis, as follows:

—long grain whole kernels, 9.76 cents per pound;
—medium grain whole kernels, 9.06 cents per pound;
—short grain whole kernels, 8.94 cents per pound;
—broken kernels, 4.88 cents per pound.

Based upon these prevailing world market prices for milled rice, rough rice world prices are estimated to be:

—long grain, $6.03 per hundredweight;
—medium grain, $5.64 per hundredweight;
—short grain, $5.43 per hundredweight.

The prices announced are effective today at 3 p.m. EST. The next scheduled price announcement will be made Jan. 16, at 3 p.m. EST, although prices may be announced sooner if warranted.

Gene Rosera (202) 447-7923

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GLASNOST MEANS "GRASSNOST" FOR U.S. RESEARCHERS

WASHINGTON, Jan. 10—Plant explorers have returned from two expeditions into previously restricted areas of the Soviet Union with more than 1,000 forage and grass seed samples—including new forms and about a dozen species they have not yet identified.

The eventual payoff could be new varieties of perennial range grasses that produce more and extend the grazing season later into the fall and winter. This would save western livestock producers millions of dollars now spent on baled hay, said plant geneticist Kay H. Asay of the U.S. Department of Agriculture's Agricultural Research Service, its chief science agency.

During the past two summers, Soviet scientists escorted Asay and other researchers to areas previously off limits. An account of the explorations appears in the current issue of the agency's Agricultural Research magazine.

In all, the scientists made more than 1,000 seed collections including nearly a hundred species of forage grasses, legumes and forbs. Many of the collections, including those yet to be identified, will be grown from seed and evaluated this summer, said Asay, with the ARS Forage and Range Research Laboratory in Logan, Utah. If U.S. researchers fail in identifying them, Soviet expertise will be sought, he said.

"Hybrids between native wild ryes and selected species from the USSR are outstanding," said Asay. "These plants often grow to almost 7 feet. Their leaves cure well and protrude above the snow so cattle and sheep can graze them well into the winter. They provide better quality feed for livestock during that period than most other livestock forages."

Using seeds of wildrye and other plants from the Soviet Union, Asay and fellow geneticists Kevin B. Jensen and Douglas R. Dewey are conducting breeding tests aimed at increasing the value of domestic grasses.

"This kind of exploration provides us with a vast genetic reservoir that could be used to improve cereal crops," said Jensen, who went on the August 1989 trip with Dewey. "It's an opportunity for us to put together genetic combinations of grasses that have never before existed."

The Logan laboratory has about 200 perennial species—'the world's largest living collection'—of wild ryegrasses, wheatgrasses and related species, said ARS plant physiologist Douglas A. Johnson. He went on the August 1988 trip with Asay and University of Wisconsin plant geneticist Michael D. Casler.

Johnson said the 1988 trip included a night in a herdman's tent on the Kazakhstan plain and a 36-hour train trip from Novosibirsk to Alma Ata—thought to be the original home of the apple.

On their journey, the researchers crossed four time zones and traveled over 5,000 miles, Asay said. With them were scientists and interpreters from the Vavilov All Union Institute of Plant Industry in Leningrad and other Soviet research institutes and state farms. "The hospitality was fantastic!" he said.

The schedule was often grueling. Once, after collecting seeds for almost 16 hours, the scientists had to catch a 2 a.m. flight—"only to land and find a fresh team of Soviet scientists waiting to take us to the next collecting site," Asay said.

ARS will extend an official invitation to two scientists from Novosibirsk, in the Altai Region of the Soviet Union, for a reciprocal visit to the United States. They would visit the research group in Logan later this year.

Dennis Senft (415) 559-6068

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WESTERN SNOWPACKS GET OFF TO A SLOW START

WASHINGTON, Jan. 10—The first snow surveys of the year show snowpacks below average throughout much of the West, reports Wilson Scaling, chief of the U.S. Department of Agriculture's Soil Conservation Service.

"The exceptions are Alaska, where snowpacks are above average for this time of year, and parts of Colorado, Montana, and Wyoming, where snowpacks are near average to above average," Scaling said.

"We'll be monitoring the snowpack through May, both through automatic sensing with our SNOTEL system and manually with snow surveyors. The next few months are usually very productive in terms of snowfall."

The Soil Conservation Service directs USDA's cooperative snow survey program to provide information on the snowpack and works with the National Weather Service to forecast the amount of snowmelt runoff in the West, where snowmelt provides about 75 percent of the water supply.

The snowpack information in the following table represents general conditions for a particular state or major river basin. Snowpack percent of averages for areas within those states or basins may vary depending on local conditions. The snowpack percent-of-average figures are based on the amount of water in the form of snow currently on the ground compared to what is usually found on this date in other years.

(Based on mountain data from SCS SNOTEL sites as of Jan. 5, 1990)

Snowpack As Percent of Average

(Based on mountain data from SCS SNOTEL sites as of Jan. 5, 1990)

State or River Basin	Snowpack (% of Average*)
Alaska	120
Arizona	43
California - Great Basin sites only	37
Colorado	56
Idaho	45
Montana	83
Nevada	45
New Mexico	37
Oregon	29
Utah	47
Washington	39
Wyoming	86
Average for Western States	54

Arkansas River Basin	77
Colorado River Basin	53
Columbia River Basin	45
Missouri River Basin	96
Rio Grande River Basin	25
The Great Basin	43

* Average conditions for 1961-85.

Diana Morse (202) 447-7547

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PRIVATE EXPORTERS REPORT SALES ACTIVITY FOR USSR

WASHINGTON, Jan. 10—Private exporters today reported to the U.S. Department of Agriculture export sales of 100,000 metric tons of wheat (50,000 tons of hard red winter and 50,000 tons of hard red spring) for delivery to the USSR during the 1989-90 marketing year and under the seventh year of the Long Term Grain Supply Agreement signed Aug. 25, 1983 and extended Nov. 28, 1988.

The marketing year for wheat began June 1.

Sales of wheat and corn to the USSR for delivery during the seventh year of the agreement (which began Oct. 1, 1989 and ends Sept. 30, 1990) total 11,916,800 tons, of which wheat is 900,000 tons and corn is 11,016,800 tons. Sales of soybeans total 217,900 tons and soybean meal total 795,000 tons. In addition, sales of barley total 7,300 tons.

USDA issues both daily and weekly export sales reports to the public. Exporters are required to report to USDA export sales of 100,000 metric tons or more of one commodity, made in one day, to one destination by 3 p.m. eastern time on the next business day following the sale. Export sales of less than these quantities must be reported to USDA on a weekly basis.

Thomas B. McDonald (202) 447-3273

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THIS WEEK'S HONEY-LOAN REPAYMENT LEVELS UNCHANGED

WASHINGTON, Jan. 11—Producers may repay their 1988 and 1989 honey price-support loans at the following levels, according to Keith D. Bjerke, executive vice president of the U.S. Department of Agriculture's Commodity Credit Corporation:

Weekly Honey-loan Repayment Levels, color and class, cents per pound

	1989-crop	1988-crop
Table		
White	40.0	40.0
Extra-light Amber	37.0	37.0
Light Amber	36.0	36.0
Amber	35.0	34.0
Nontable	33.0	33.0

The levels are unchanged from those announced April 20, 1989.

Producers who redeem their honey pledged as loan collateral by repaying their 1988 or 1989 honey-price support loans at these levels may not repledge the same honey as collateral for another loan.

Jane K. Phillips (202) 447-7601 8:00 am-4:30 pm EST

John C. Ryan (202) 447-8207 4:30 pm-5:30 pm EST

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